

The small size of the Great Lakes ports' general cargo traffic stands out even more clearly when exports via the ports of the region are compared with its manufactures of export commodities. A 1960 Commerce Department study, as shown in table V; estimated the value of exports manufactured in

each State, making such a comparison possible.<sup>6</sup> The 1960 exports manufactured in the Midwest may be most easily compared with the 1961 exports shipped via the Great Lakes ports, as assembled by the Chicago Association of Commerce and Industry Research and Statistics Division, since what is

important is the relative magnitude, not the precise figure. For the purpose of this comparison, "Midwest" States include Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, the Dakotas, Kansas, Nebraska, and Kentucky.<sup>7</sup>

TABLE V.—Manufacturing establishments reporting the export of products in 1960; the number of these establishments, their employment and reported exports, compared with total manufacturing exports, by region and State

Geographic region and State	Establishments reporting exports			Total manufacturing, exports and estimated regional and State totals
	Number of establishments	All employees annual average	Value of exports reported	
United States, total.....	7,496	5,699,981	Millions \$9,792.4	Millions \$15,454.3
New England.....	721	482,036	551.8	1,013.7
Maine.....	29	16,271	14.5	37.5
New Hampshire.....	36	18,166	30.3	54.7
Vermont.....	24	11,161	15.5	28.1
Massachusetts.....	319	204,495	224.4	435.2
Rhode Island.....	63	28,060	22.2	65.9
Connecticut.....	250	203,877	244.7	385.9
Middle Atlantic.....	1,804	1,443,830	2,271.2	3,506.1
New York.....	485	573,331	888.1	1,417.4
New Jersey.....	505	206,404	587.2	897.0
Pennsylvania.....	704	574,095	795.7	1,189.5
East north central.....	2,500	2,084,340	3,119.5	4,503.8
Ohio.....	785	628,666	921.5	1,299.4
Indiana.....	312	310,259	310.2	483.0
Michigan.....	487	482,960	646.5	898.7
Illinois.....	666	464,430	971.1	1,407.8
Wisconsin.....	250	198,025	270.0	411.4
West north central.....	438	294,334	378.6	764.0
Minnesota.....	107	75,354	92.5	176.4
Iowa.....	101	84,987	121.4	243.0
Missouri.....	164	85,101	91.5	183.0
North Dakota.....	1	(1)	(1)	2.4
South Dakota.....	3	(1)	(1)	7.4
Nebraska.....	24	14,093	14.5	41.9
Kansas.....	48	30,720	60.7	96.6
South Atlantic.....	546	412,822	845.8	1,655.0
Delaware.....	25	12,267	14.4	28.4
Maryland.....	102	92,012	138.4	216.9
District of Columbia.....	2	(1)	(1)	7.7
South Atlantic—Continued			Millions	Millions
Virginia.....	89	74,485	\$213.3	\$338.3
West Virginia.....	71	58,489	125.8	156.1
North Carolina.....	93	103,162	128.0	391.8
South Carolina.....	27	27,353	30.4	121.8
Georgia.....	82	54,502	107.0	230.8
Florida.....	55	29,028	85.1	158.8
East south central.....	309	208,795	324.9	587.3
Kentucky.....	89	57,660	102.2	178.4
Tennessee.....	107	76,413	132.0	220.1
Alabama.....	78	60,946	54.4	109.2
Mississippi.....	35	13,776	36.1	77.0
West south central.....	397	222,032	938.2	1,243.3
Arkansas.....	31	13,225	29.2	60.7
Louisiana.....	73	41,371	192.0	254.1
Oklahoma.....	61	19,966	65.5	98.9
Texas.....	242	147,470	661.3	836.6
Mountain.....	67	46,386	97.6	177.3
Montana.....	1	(1)	(1)	3.9
Idaho.....	10	2,065	(1) 8.4	15.6
Wyoming.....	1	(1)	(1)	7.7
Colorado.....	21	19,130	28.2	48.4
New Mexico.....	4	378	11.8	26.5
Arizona.....	12	12,685	12.8	29.3
Utah.....	13	9,724	32.0	45.8
Nevada.....	5	1,639	4.6	8.4
Pacific.....	624	500,228	1,264.3	1,994.2
Washington.....	88	95,276	393.7	582.8
Oregon.....	43	19,428	50.8	87.1
California.....	490	385,524	809.7	1,302.6
Alaska.....	1	(1)	(1)	4.0
Hawaii.....	4	(1)	(1)	15.5

<sup>1</sup> Withheld to avoid disclosing figures for individual companies.

NOTE.—Figures may not add because of rounding. The \$9,800,000,000 in exports reported in this survey were made by establishments with 100 employees or more and exporting \$25,000 or more in 1960. Based on a census company survey covering 1958, these establishments account for substantially all shipments known to the manufacturer to be destined for export. The \$5,600,000,000 in exports not reported in the survey would be accounted for chiefly by products shipped through wholesalers, independent export houses, etc., and by small manufacturers.

The exports shown in this table are in f.o.b. plant values. The total value at port is estimated at \$16,893,000,000, and exceeds the 1960 Census Bureau's totals for manufactured foodstuffs, semimanufactures and finished manufactures by some \$800,000,000. Figures given here include exports to Puerto Rico, bunker sales of fuel to foreign vessels

The value of the Midwest's manufactured exports was \$5,446 million in 1960; the value of manufactured exports shipped via the Great Lakes ports was \$327 million in 1961. Great Lakes ports, in other words, shipped about 6 percent of the exports produced in the Great Lakes area. By contrast, the ports on the Delaware River (primarily Philadelphia) shipped \$301 million worth of manufactured exports in 1960, while its hinterland of Pennsylvania, Delaware, and half of New Jersey produced \$1,666 million worth of such exports. Philadelphia's share was about 18 percent, three times that of the Great Lakes ports.

This comparison, striking as it is, understates the situation; it is surely too favorable to the Great Lakes. On the one hand, Philadelphia is about halfway between the two major general cargo ports of the east coast (and of the Nation), New York, and Baltimore. Its cost advantages in its assumed hinterland are likely to be very small. Further, the western part of Pennsylvania, including Pittsburgh, is in fact in the hinterland of the Great Lakes ports; Pittsburgh

itself lies in the hinterland of Cleveland. Including this heavy-industry area in the Philadelphia hinterland drastically overestimates that port's potential exports.

On the other hand, the Great Lakes ports' hinterlands are understated in the above enumeration. This is obvious in the case of Erie, Buffalo, Oswego, and the other Great Lakes ports in New York and Pennsylvania; these ports surely draw traffic primarily from their own States. If we exclude these ports' \$14,900,000 of exports from the estimates, then about 5.75 percent of the remaining Great Lakes area's export production is shipped via Great Lakes ports. But, as stated above, the Pittsburgh area actually lies in the Cleveland hinterland, rather than in that of Erie. Cleveland also is the cheapest port of export for nearly all of West

<sup>6</sup> U.S. Department of Commerce, "Value of Exports of Manufactured Products, by Region and State, and by Major Product Group: 1960" (Washington: U.S. Department of Commerce, Office of Business Economics, Bureau of International Programs, 1962).

and certain other adjustments developed by the Bureau of Labor Statistics in their study of direct and indirect employment attributable to exports.

The national total figures were prepared by the Bureau of Labor Statistics, based largely on census export data and census "bridge" tables on export and industry classification systems.

Regional and State distributions of exports, not reported directly by manufacturers, were estimated by the Office of Business Economics and the Bureau of International Programs, U.S. Department of Commerce, in order to account for local origin of all manufacturing exports. The figures reported by manufacturers are from a survey conducted by the Census Bureau of plants with more than 100 employees included in the annual survey of manufacturers.

Source: U.S. Department of Commerce.

Virginia. The hinterlands of various other Great Lakes ports include the northern half of Tennessee, if not more; and much of Colorado (including Denver), Wyoming, and Montana. If we allow for these areas, by adding the value of manufactured exports for all of West Virginia and one-half of Pennsylvania, Tennessee, Colorado, Wyoming, and Montana, the total production in the Great Lakes area is \$6,334 million, of which the area's ports ship about 5.1 percent.<sup>8</sup>

Whichever hinterland is used in the measurements, the point is the same. There are several reasons for the predominance of east coast ports in this country's general cargo exports. Most obvious is the seasonal nature

<sup>7</sup> The reasons for choosing this definition of "Midwest," and for the subsequent modifications of it, will be given in detail in ch. 6; these States roughly correspond to the areas in which the Great Lakes ports have shipping cost advantages over other ports.

<sup>8</sup> As stated in the previous footnote, justification for including these areas in the ports' hinterlands will be given in ch. 6.

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of shipping via the Great Lakes; the St. Lawrence Seaway is only open between 8 and 9 months of the year. A rough allowance for this factor can easily be made, however, by assuming that these exports are produced at an even flow during the year. On this basis, at least two-thirds of the area's exports would be ready for shipment during the seaway shipping season, or between \$3,630 and \$4,222 million, according to the 1960 Commerce Department study. The Great Lakes ports are still shipping only between 7.5 and 9 percent of this potential traffic.

Rather than enter into a detailed discussion of other factors tending to limit the Great Lakes' shipment of exports, it is convenient to defer consideration of them to chapter 6, where they will be discussed in connection with the port of Milwaukee. However, before then, we shall analyze the other side of Great Lakes foreign trade, imports; and then summarize the total foreign trade of the region.

### "NEUTRALISM" MEANS DEFEAT IN SOUTH VIETNAM

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. ZABLOCKI. Mr. Speaker, on February 20, I took the floor of the House to point out the dangers inherent in suggestions that neutralization be considered a solution to the current conflict in South Vietnam.

The suggestions had come from North Vietnam, from France's President de Gaulle, from some American newspapers and even from our own legislative halls.

On that previous date, my deep concern was that such expressions from respected Americans and American press organs would have a debilitating effect on the morale of the South Vietnamese people, and thereby adversely affect the war effort.

Mr. Speaker, I fear that my worst fears have, indeed, been realized.

Recent news reports from South Vietnam have emphasized the concern and consternation which have greeted calls for neutralization emanating from the United States.

In a story to the New York Times, which appeared Monday, Correspondent Peter Grose reported:

What Premier Khanh and members of his Government seem to regard as their most pressing danger is the impatience and despair among Americans and that this could lead to a withdrawal of the large-scale military aid that has supported the country's anti-Communist war effort for over 2 years.

In the same story, Grose also stated that:

Statements favoring a neutral solution in Vietnam made by influential Americans, including Senator MIKE MANSFIELD, have contributed to demoralization here that diplomats are looking to Mr. McNamara to dispel.

In Sunday's New York Times, Columnist James Reston, in an article entitled "The Blabbermouth Approach to Vietnam" had this to say:

Meanwhile, the majority leader in the Senate, MIKE MANSFIELD, of Montana, seems to have been siding publicly with President de Gaulle of France on negotiation of some

vague policy of neutralizing Vietnam, and while this was not done with the approval or even the prior knowledge of the administration, it is hard to convince anybody in Saigon or elsewhere abroad that such a casual relationship exists between the administration and its chief spokesman in the Senate.

Mr. Reston concluded his observations by commenting on:

#### THE NEUTRALIST DANGER

The most dangerous and likely immediate prospect is not that the Communists will win the war in South Vietnam or that the United States will carry the war to North Vietnam, but that in the atmosphere of rumor, confusion and intrigue in Saigon another coup d'etat, the third in 100 days, will bring in a neutralist South Vietnamese Government that will order us out and negotiate a settlement that will leave the Communists free to take over.

This would be almost as bad for the West as a military disaster. We could not impose our presence on a South Vietnamese Government that didn't want us, and with U.S. power out of Vietnam, the situation would really, in the President's phrase, "go to pot." The Communists would be free to expand in southeast Asia almost at will.

Other newspapermen have made similar observations. In a story which appeared in the Washington Post on February 22, Keyes Beech, Chicago Daily News Service correspondent, pointed out the adverse affect of "neutralist" suggestions:

[From the Chicago Daily News Service, Feb. 22, 1964]

#### ANTI-RED CAUSE IN VIETNAM PERILED BY U.S. INCONSTANCY

(By Keyes Beech)

SAIGON, February 21.—Perhaps the gravest threat to the anti-Communist cause in South Vietnam and the rest of southeast Asia today is not Communist guns and terrorism but American inconstancy.

This was underlined today by Saigon's reaction to Senate Majority Leader MIKE MANSFIELD's apparent acceptance of French President de Gaulle's premise that the war here cannot be won and the only solution is to neutralize all southeast Asia.

MANSFIELD's statement strengthened a growing body of opinion among Vietnamese and Americans here that the United States is sick of this war and is looking for a way out.

Officially there was no reaction. Privately and unofficially, reaction ran the gamut of cliches from shock to dismay to anger.

"Of course it wasn't the Senator's intention to give aid and comfort to the Communists and undermine Vietnamese and American morale," said a top American official. "But that's exactly what he did. And he couldn't have done a better job if his speech had been written in Hanoi."

Over a beer in the Bar Cintra, an American helicopter pilot with a Purple Heart was heard to say, "If we are going to throw in the towel, then I'd just as soon go home now instead of next month."

That MANSFIELD was expressing his personal views rather than speaking for the Johnson administration was a distinction that most Vietnamese and Americans failed to draw.

This was especially so in view of MANSFIELD's position as Senate majority leader and the background knowledge of this area that he has acquired through frequent visits.

There was even a suspicion that he was speaking with White House sanction when he quoted President Johnson's comment on De Gaulle's neutralization proposal: "If we could have neutralization of both North Vietnam and South Vietnam I am sure that would be considered sympathetically."

American officials here made two major points to rebut a neutralization solution:

1. The war in South Vietnam admittedly is not going well, and after two changes of government in 3 months, political stability is lacking. But the situation is by no means hopeless, and Vietcong capabilities are still limited. The new Government headed by Gen. Nguyen Khanh still has to prove itself. But, on the other hand, it is moving in the right direction.

2. Neutralization simply is not possible except on Communist terms, which means surrendering all southeast Asia to Chinese Communist domination. Besides, Communist North Vietnam has already made it abundantly clear that it will not accept neutralization.

Mr. Speaker, in addition to the adverse effects which American suggestions of neutralization have had in South Vietnam, damage has been done elsewhere.

In Thailand, Government officials are watching this country carefully to determine whether the will of the United States to resist Communist aggression in Southeast Asia is wavering. Any U.S. moves toward neutralization in South Vietnam are sure to cause serious repercussions in United States-Thai relations.

We cannot give way—or appear to give way—before the expansionist policies of Communist China. Instead, we must make our stand in Vietnam, as long as the freedom-loving people of that nation ask our assistance in fighting communism.

Neutralization is no solution; neutralization means defeat. Let us not allow fancy rhetoric or a narrow view of our national interest blind us to that fact.

To me our course in Vietnam is clear. We must stay and assist the South Vietnamese defeat the Vietcong, no matter how long the fight, no matter what the commitment of resources.

In conclusion, I wish to commend the attention of my colleagues to an article which appeared in the Washington Post last Sunday written by Zbigniew Brzezinski, noted expert on communism. Dr. Brzezinski presents cogent arguments on how and why neutralization of South Vietnam would be a U.S. defeat and a handover to Peiping:

"NEUTRAL" VIETNAM A CHINESE BACKYARD: NOTED STUDENT OF COMMUNISM SAYS DE GAULLE SUGGESTION WOULD BE U.S. DEFEAT AND HANDOVER TO PEIPING

(By Zbigniew Brzezinski)

President de Gaulle's recent press conference has had at least one benefit: it has forced us to rethink our purposes and our methods in southeast Asia. Now we have to decide whether we are going to pull out of South Vietnam or whether we will reaffirm our determination to stay.

Should we decide to get out, we may choose to neutralize South Vietnam as a transitional face-saving device. It is hard to believe that a political realist like General de Gaulle had any other purpose in suggesting it except to extricate the United States from a region which, as he has stated, he considers to be primarily a responsibility of China.

Indeed, I strongly suspect that De Gaulle has concluded that the United States is neither capable nor has the will to stay in southeast Asia. In keeping with his geopolitical concepts, involving a demarcated world dominated by several major powers, he feels that to stabilize the situation in southeast Asia, the area must be handed over to the Chinese. "Neutralization" is a gracious way of doing this.

## DISARMING APPROACH

His approach bears a striking resemblance to his handling of the Algerian problem. Knowing full well that neither the French people nor the French army would swallow a flat statement to the effect that France must abandon Algeria, De Gaulle successfully obfuscated the issue by a number of misleading pronouncements while steadily edging toward the Evian agreement.

His suggestion that the United States agree to the neutralization of southeast Asia is very much on the same order. He realizes that a flat proposal that the United States disavow its previous commitments would create a furor in America and would not further his objectives. "Neutralization" sounds more acceptable.

Conceivably, he takes neutralization seriously. In that case, he is unrealistic. It can be flatly stated that neutralization of southeast Asia is not a politically viable alternative. In our age, the only successful cases of neutralization involve Finland, Austria, and Yugoslavia. In all cases, the country neutralized rested between two major and cohesive power blocs.

## INTERNALLY VIABLE

Each side realized that a move against the neutrality of the states concerned would precipitate countermoves from the other side. Furthermore, both in the Austrian and in the Finnish cases, domestic Communist subversion had been suppressed by the governments concerned. Hence there was internal political viability of the sort that does not exist in South Vietnam, or, for that matter, elsewhere in southeast Asia.

Yugoslavia became neutral after having been expelled from the Communist camp. Its new neutrality was successfully maintained with American aid and came to be stabilized precisely because on the one hand Yugoslavia was faced by a homogeneous Stalinist bloc and on the other, in Italy and Greece, by NATO. Furthermore, Tito was in charge of a united Communist state. He did not have a "South Yugoslavia" to conquer, like Ho Chi-minh.

Last but not least, these states were neutralized not as a result of internal Communist pressure and military aggression and in the wake of repeated American commitments to defend them, which then had to be disavowed. The very fact of past American commitments to defend southeast Asia, which now would have to be disavowed for the sake of the so-called neutralization, would further weaken the conviction of the parties involved that their neutrality was protected by the balanced antagonism of two equally determined blocs.

Neutralization of South Vietnam today, even if accompanied by a formal neutralization of North Vietnam, would be nothing less than an American defeat. Furthermore, it would leave southeast Asia without any countervailing political force to that of China. In effect, it would transform that area into a Chinese political backyard.

## A ROW OF DOMINOS

As a result it is certain beyond question that there would be immediate political instability in Thailand, whose northeast is already exposed to insurgency and whose politicians are already fearful that American commitments are not to be trusted. Malaysia, until 2 years ago an area of Communist insurgency, would be certain to fall, and the collapse of these states would have a direct impact on the present insurgency in Burma.

The collapse of the small southeast Asian states would not only benefit China politically and economically but it would be likely to have further unsettling effects on India and Indonesia. One cannot predict precisely what would happen—but it is clear that stability is not to be sought through neutralization.

The thesis that the area is doomed inevitably to come under Chinese domination simply ignores India, in whose stability the West has an interest. It bears a striking resemblance to the argument made often in the late 1940's to the effect that Europe could not be maintained against the powerful Russia. Just as the aggressors have been contained in Europe and countervailing forces have been developed, so in Asia the Chinese should and can be contained, thereby giving a breathing spell to the emerging and developing nations.

## ANTI-RUSSIAN POLICY

There is a further dimension to all this. The rapid expansion of Chinese influence, achieved primarily because in southeast Asia China did persist in revolutionary war of the sort which the Soviets had considered dangerous, would immeasurably increase Chinese prestige within international communism and place the Soviet leadership under enormous pressure.

In fact, through failure to respond we would be cooperating in an international refutation of the Soviet foreign policy. The Soviet leadership, I believe, would be tempted to emulate the Chinese example, since otherwise the international Communist movement would be likely to follow the Chinese lead. The effect of the policy of neutralization would be an escalation of international tensions.

One may also add that the loss of South Vietnam would be likely to have a very negative impact on the American domestic scene. It would reawaken extreme right-wing claims that there has been a new betrayal, and it could result in a new wave of extremism in 2 or 3 years from now.

A TRIBUTE TO THE AMERICAN  
LEGION

(Mr. BURKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURKE. Mr. Speaker, the fourth annual American Legion Washington National Conference is being held this week. National Commander of the Legion, Daniel F. Foley, will direct the executive sessions of the 1,200 top legionnaires from 54 American Legion departments. Mr. Foley from Wabasha, Minn., is the brother of Eugene Foley, Administrator of the Small Business Administration, and the Honorable John Foley, formerly a Member of Congress from Maryland. Mr. Foley is to be commended for the excellent work he has performed in his present capacity and as a tribute to this performance, he is to be awarded the "Lantern Award" on April 19, 1964, at the Statler-Hilton Hotel in Boston, Mass. This award which has national significance is made annually by the Knights of Columbus, and is given to one who has made an outstanding patriotic contribution in his particular field of endeavor. This will be the eighth annual award and each year a different occupational field is selected. Past recipients include Richard Cardinal Cushing, House Speaker John W. McCormack, Attorney General Robert F. Kennedy, and J. Edgar Hoover.

In attendance at this conference is Thomas E. Abely, present Commander of the American Legion, Department of Massachusetts. Mr. Abely, a constituent of mine from Canton, Mass., was

elected at the June 1963 convention at Quincy, Mass. His administration has been featured by a highly successful seminar at Boston College in Legion affairs, the establishment of the first department newspaper and a memorial mass for our late, beloved President John F. Kennedy at the Cathedral of the Holy Cross in Boston during December 1963. Commander Abely, a native of Winthrop, Mass., was a military intelligence operative in the U.S. Army from 1943 to 1945. He is a graduate of Northeastern University, an employee of Dun & Bradstreet in Boston and has made his home in Canton since 1941. He was responsible for the success of the annual dinner for National Commander Daniel F. Foley held on February 29, 1964, at the Statler-Hilton Hotel in Boston.

In line with the conference this week and being a Legionnaire, I would like to pay tribute to the American Legion.

It is safe to say, I think, that the American Legion and the American way of life are closely tied, in many vital respects. None more so, however, than the extent to which both are inextricably tied to the fate, the future, and the progress of democracy, itself.

We Americans have a great deal to take pride in and a great deal to be thankful for, so far as democracy is concerned. Through hard work, perseverance and native intelligence, we—that is to say, our ancestors—established a remarkable Nation on this continent, capable of surpassing all others in the fields of commerce, industrial production, and technological skills. In all this, we have every right to pride. We must, however, give additional credit to sources other than ourselves. For we have, in fact, been blessed with the greatest of luck, in the history of our political development.

In the first place, there has never been a case in which our political leaders have sold us down the river, for the sake of personal gain. That has been the fate of many republics—not ours, however. Nor has our military leadership ever, in our history, moved to take control of the country. That is another way in which democratic-republican government has been killed off, time and again, in other lands. Yet we, thank heaven, have been spared that calamity.

One of the reasons for our good fortune in these regards, I believe, is that our Armed Forces have been so closely identified with the people, themselves. That is to say, there always has been, in our civilian population, a large contingent of military veterans with the power to influence governmental policy. Not professional soldiers, but civilians with military experience, they therefore can understand military needs without distrusting democratic institutions. This body of Americans, far from threatening the democratic fabric of American life, have bolstered it, in every respect, throughout the span of our national existence.

It is therefore an additional blessing, from the national point of view, that American veterans have seen fit to organize, the better to serve their interests



and the interests of the Nation, combined.

As the largest of veterans organizations, the American Legion has taken the lead in this regard, and in so doing has won for itself a place of high standing in the eyes of the American people and all other people of good will familiar with its undertakings.

The history of the American Legion, from the time of its formation, in Paris, in the year 1919, through 45 years of peace and war, has been one of devotion to God and country. In the minds of those who founded the organization, were a number of ideals, uppermost of which were these:

First. Creation of a fraternity based upon firm comradeship born of war service and dedicated to a square deal for all veterans, particularly the disabled, their widows and orphans.

Second. National security for America, including a universal military training program for the prevention of future world conflicts.

Third. Promotion of a 100-percent Americanism and the combating of communism, nazism, fascism, socialism, and all other foreign isms.

Yes, those were the prime goals, the first objectives; and yet, with the passage of time, many more purposes came to mind and many more avenues of service opened up before the eyes of the forward-looking American Legion leadership. Concern for the national economy; concern for child welfare, the overall legislative program of Congress, and so on: all became issues in which the American Legion took a strong and vital interest.

As a result, the Legion has come to stand as a strong and able adviser and consultant for all persons interested in promoting the national welfare.

With the great expansion of membership that followed the close of World War II, and the further increase as a result of opening its ranks to honorably discharged veterans who served during the Korean conflict, the American Legion looks forward to continuous useful contribution to American life. It will continue to shape its plans and adhere to the principles set forth in the Preamble to the National Constitution to the end that the American Legion always may be rightfully referred to as, "The best insurance policy a country ever had."

#### NEED FOR COMPETITIVE BIDDING ON NAVY PROCUREMENT

(Mr. WILSON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of Indiana. Mr. Speaker, the prices paid for a Navy rocket launcher and power supply dropped to one-third the former price when competitive bidding was recently forced. As a matter of fact, the former noncompetitive price of about \$6,500 went all the way down to \$1,993 when the Navy was forced to scrap a sole source procurement and get competition.

This sole source cancellation came just 8 days after my first formal inquiry

into the case—and about 7 weeks after I first heard about the case from a source inside the Navy Department.

My Navy informant first alerted me to this impending waste of tax money in early June 1963. There was, he said, underway in the Navy Department Bureau of Weapons a purchase of a rocket launcher identified by the technical nomenclature of LAU-7 and a power supply to activate it known as the PP-2315.

Past history showed this equipment to have been developed by two manufacturers, I was told. Douglas Aircraft Co. developed the launcher and produced it, without competitive bidding, at a cost of about \$4,500 each. The Benrus Watch Co. developed and produced the power supply at a cost of about \$2,000 each. The development was paid for by the Government.

Now, this naval employee told me, there was another procurement on the rails and ready to roll. But, he said, there was no need for a sole source procurement. The Government had bought and paid for plans and specifications. There was no great urgency, and it was felt the price would drop dramatically if competitive bidding were allowed.

I only wish I could tell the Members of the House the name of the individual who came to me with information designed to save the taxpayers money. I cannot, since this person was guaranteed anonymity by me.

I could not even tell the Navy the identity because, as shall now be shown, an attempt was made to cooperate with the Navy when such information reached me in the past to no avail.

On November 14, 1963, I received a letter from Rear Adm. Charles Curtze, then Acting Chief of the Bureau of Ships. It referred to information I requested—a request, incidentally, that stemmed from inside information received from the Navy Department.

Admiral Curtze's letter said, in part, and I quote:

It is surprising to me that such tentative planning information, which, to the best of my knowledge has not been announced, should be known outside the Navy Department.

I was impressed by Admiral Curtze's letter and felt perhaps we could work together to clean up some of the procurement abuses in the Navy. What better course could there be than to work together with the head of a bureau? In that spirit, I wrote Admiral Curtze the following letter on November 15, 1963:

DEAR ADMIRAL CURTZE: Thank you for your letter of November 14, 1963, and for the information transmitted on the AN/SQS 26 sonar equipment. I am at present studying this documentation, and it appears to me to be a very intriguing case.

I was particularly impressed by the last sentence in your letter. I think if you sat here on Capitol Hill, you would be appalled more than surprised at what is going on in your command. Admiral Curtze, I do not seek out this information; it seeks me out. Dedicated Navy employees, who apparently are fed up with what goes on in some of your procurement sections and who cannot stomach any more, call me on the telephone daily. They tell me to "look here" and "look there." Truly, if I followed up every

lead, neither your office nor mine would get anything else done.

When these calls come to my attention, I am always careful to point out to the caller that the Navy has administrative remedies for grievances and agencies to handle complaints of sloppy, inefficient work. The responses I get, I am sure, would shock you, although they have long since failed to shock me. They do, however, add to a growing disgust with some of the purchasing policies of the Navy.

My study of procurement was started over 2 years ago. Frankly, I had no idea of just how far it would go. I fully expected to find out that the Navy, Army, and Air Force were efficient, orderly and frugal in buying goods for our military defense. My disappointment has been doubled by what I have consistently uncovered.

To demonstrate my willingness to cooperate at all levels in order to get a more efficient, less costly procurement system, I stand ready to telephone your office the next time I get a complaint from a Navy Department employee. I shall tell you the name of the complainant and the nature of the complaint, but only if:

1. My communication will be regarded by you as totally confidential.
2. I am permitted to sit in on every single meeting with this individual.
3. I am permitted to interrogate those who are involved in the complaint.
4. All answers and questions are taken down in writing so that everyone—including you and me—will be on the record.
5. The identity of this individual will be protected, and this individual will be protected from reprisals or retaliatory action in the future.
6. The case is prosecuted vigorously and those in the wrong—if they are, indeed, proved to be so—are given their just deserts.

Very truly yours,

EARL WILSON,  
Member of Congress.

Mr. Speaker, I do not feel my request was unusual. I simply wanted to guarantee the immunity of any Navy employees who, in a genuine desire to be helpful, came to me with information on procurement abuses.

Some of my conditions were highly negotiable. In short, I was trying to be helpful and find an avenue of mutual accord down which the Navy could proceed with me to uncover a few polecats in the woodpile.

On December 17, 1963, I received an answer to my letter, this from Rear Adm. W. A. Brockett, Chief of the Bureau of Ships. I ask unanimous consent to insert his letter at this point:

MY DEAR MR. WILSON: In your letter of November 15, 1963, to Rear Adm. Charles A. Curtze, you offered to tell "the name of the complainant and the nature of the complaint," the next time you "get a complaint from a Navy Department employee." Your offer was subject to several conditions which do not appear feasible to me and which I cannot accept.

I am, of course, interested in learning of any improper practice within the Bureau of Ships, since as Chief of Bureau, I am responsible for the Bureau's operation. In the event you advise me of a complaint, even though anonymous, as to improper practice within the Bureau of Ships, I will certainly have such complaint investigated, with a view toward corrective action.

Sincerely yours,

W. A. BROCKETT.

It should be apparent by now that it is next to impossible for me to disclose my sources. Without protection they would